

Kriswell A/S
Knudstrupvej 10 C, 8870 Långå

Company reg. no. 15 38 69 40

Annual report
1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 15 June 2022.

Mads Reinholdt Sørensen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Kriswell A/S for the financial year 1 January - 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Langå, 15 June 2022

Managing Director

Ian Railton

Board of directors

Mark Steven Werner
chairman

Ian Railton

Bobby Stephen Dean

Independent auditor's report

To the shareholder of Kriswell A/S

Opinion

We have audited the financial statements of Kriswell A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies,, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

DK-8960 Randers SØ, 15 June 2022

Kvist & Jensen

Kvist & Jensen State Authorized Public Accountants
Company reg. no. 36 71 77 85

Jonas Bødker-Iversen

State Authorised Public Accountant
mne35471

Company information

The company

Kriswell A/S
Knudstrupvej 10 C
8870 Långå

Company reg. no. 15 38 69 40

Financial year: 1 January - 31 December

Board of directors

Mark Steven Werner, 127 West Boundary Road, Mequon, WI 53092, USA, chairman
Ian Railton, Godeffroystrasse 16, 22587 Hamborg, Tyskland
Bobby Stephen Dean, 87 Lake Harding Drive Hamilton, GA 31811, USA

Managing Director

Ian Railton, Godeffroystrasse 16, 22587 Hamborg, Tyskland

Auditors

Kvist & Jensen Statsautoriseret Revisionspartnerselskab

Bankers

Sydbank

Parent company

Char-Broil, LLC

Management's review

The principal activities of the company

The principal activities are handling and storing of outdoor barbecue grills, accessories and spare parts for a group company and production and sale of Dancook Products.

All products are sold to a group company.

Development in activities and financial matters

The gross profit for the year totals DKK 5.977.421 against DKK 4.903.343 last year. Income or loss from ordinary activities after tax totals DKK 893.988 against DKK 579.284 last year. Management considers the net profit or loss for the year satisfying.

Events occurring after the end of the financial year

There have not been any significant events after the status day.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	5.977.421	4.903.343
1 Staff costs	-4.371.217	-3.370.987
Depreciation and impairment of property, land, and equipment	-731.755	-670.610
Operating profit	874.449	861.746
Other financial income from subsidiaries	17.660	3.105
Other financial income	3.586	0
Other financial expenses	-1.707	-285.567
Pre-tax net profit or loss	893.988	579.284
Tax on ordinary results	0	0
Net profit or loss for the year	893.988	579.284
Proposed appropriation of net profit:		
Transferred to retained earnings	893.988	579.284
Total allocations and transfers	893.988	579.284

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2021</u>	<u>2020</u>
Non-current assets			
2	Other fixtures and fittings, tools and equipment	504.673	776.142
3	Leasehold improvements	1.174.121	1.611.282
	Total property, plant, and equipment	1.678.794	2.387.424
4	Deposits	762.500	1.212.500
	Total investments	762.500	1.212.500
	Total non-current assets	2.441.294	3.599.924
Current assets			
	Raw materials and consumables	0	97.359
	Work in progress	0	5.033.296
	Manufactured goods and trade goods	0	24.979
	Total inventories	0	5.155.634
	Trade debtors	236.411	0
	Receivables from subsidiaries	19.089.251	13.671.471
	Other receivables	0	10
	Prepayments	184.024	246.273
	Total receivables	19.509.686	13.917.754
	Cash and cash equivalents	2.597.428	609.087
	Total current assets	22.107.114	19.682.475
	Total assets	24.548.408	23.282.399

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2021</u>	<u>2020</u>
Equity			
	Contributed capital	600.000	600.000
	Retained earnings	21.203.384	20.309.396
	Total equity	21.803.384	20.909.396
Long term liabilities other than provisions			
	Other payables	347.099	310.726
	Deferred income	100.000	300.000
5	Total long term liabilities other than provisions	447.099	610.726
5	Current portion of long term liabilities	400.000	657.600
	Trade creditors	60.476	180.014
	Other payables	1.837.449	924.663
	Total short term liabilities other than provisions	2.297.925	1.762.277
	Total liabilities other than provisions	2.745.024	2.373.003
	Total equity and liabilities	24.548.408	23.282.399

6 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	600.000	20.309.396	20.909.396
Profit or loss for the year brought forward	<u>0</u>	<u>893.988</u>	<u>893.988</u>
	<u>600.000</u>	<u>21.203.384</u>	<u>21.803.384</u>

Notes

All amounts in DKK.

	2021	2020
	<hr/>	<hr/>
1. Staff costs		
Salaries and wages	3.865.420	2.916.796
Pension costs	505.797	454.191
	<hr/>	<hr/>
	4.371.217	3.370.987
	<hr/>	<hr/>
Average number of employees	11	10
	<hr/>	<hr/>
	31/12 2021	31/12 2020
	<hr/>	<hr/>
2. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	3.789.784	3.704.848
Additions during the year	23.125	84.936
	<hr/>	<hr/>
Cost 31 December 2021	3.812.909	3.789.784
	<hr/>	<hr/>
Amortisation and writedown 1 January 2021	-3.013.642	-2.734.739
Depreciation for the year	-294.594	-278.903
	<hr/>	<hr/>
Amortisation and writedown 31 December 2021	-3.308.236	-3.013.642
	<hr/>	<hr/>
Carrying amount, 31 December 2021	504.673	776.142
	<hr/>	<hr/>
3. Leasehold improvements		
Cost 1 January 2021	2.852.668	1.951.237
Additions during the year	0	901.431
	<hr/>	<hr/>
Cost 31 December 2021	2.852.668	2.852.668
	<hr/>	<hr/>
Depreciation and writedown 1 January 2021	-1.241.386	-849.679
Depreciation for the year	-437.161	-391.707
	<hr/>	<hr/>
Depreciation and writedown 31 December 2021	-1.678.547	-1.241.386
	<hr/>	<hr/>
Carrying amount, 31 December 2021	1.174.121	1.611.282
	<hr/>	<hr/>

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
4. Deposits		
Cost 1 January 2021	1.212.500	1.662.500
Disposals during the year	<u>-450.000</u>	<u>-450.000</u>
Cost 31 December 2021	<u>762.500</u>	<u>1.212.500</u>
 Carrying amount, 31 December 2021	 <u>762.500</u>	 <u>1.212.500</u>

5. Long term liabilities other than provisions

	<u>Total payables 31 Dec 2021</u>	<u>Current portion of long term payables</u>	<u>Long term payables 31 Dec 2021</u>	<u>Outstanding payables after 5 years</u>
Other payables	347.099	0	347.099	0
Deferred income	<u>500.000</u>	<u>400.000</u>	<u>100.000</u>	<u>0</u>
	<u>847.099</u>	<u>400.000</u>	<u>447.099</u>	<u>0</u>

6. Contingencies

Contingent liabilities

The company has entered into a rental agreement with a yearly rent of DKK 1.370.531 with a remaining irrevocability period until 1th of April 2023.

The company has entered into a machine rental agreement with a yearly rent of DKK 600.000 with a remaining irrevocability period until 1th of April 2023.

Accounting policies

The annual report for Kriswell A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Accounting policies

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

Accounting policies

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-10 years	0-20 %

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

Accounting policies

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Deferred income

Payments received concerning future income are recognised under deferred income.